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# FEWER HENS ARE NEEDED ON U.S. FARMS TODAY

Why are stewing and roasting chickens, once a mainstay of the family Sunday dinner, seen so seldom in grocery stores these days?

Why is the spread between farm and retail prices for these birds so wide? How can it be reduced? These are questions many farmers have been asking for a long time.

## Fewer Hens Needed

The answer to the first question is quite simple. Nearly all stewers and roasters are byproducts of farm egg enterprises. Over the years, rates of lay per hen have increased sharply, far more than egg consumption. As a result, fewer hens are needed on farms and fewer hens can be culled out and sold.

The rapid increase in production of chicken fryers has also made available large quantities of high-quality chicken meat at attractive prices. They have far more than replaced the loss in fowl production.

Relatively few data are available on the second question. A recent study by the Agricultural Marketing Service, however, provides some information on price spreads and marketing costs on fowl sold in Chicago and Minneapolis-St. Paul.

The AMS researchers found that average farm-retail price spreads on fresh fowl ranged from 17.3 cents to 22.8 cents a pound, ready-to-cook basis, in the two cities in 1955–56.

The lowest margin was on fowl sold through chainstores in Chicago. The highest margin was on fowl sold through chainstores in Minneapolis-St. Paul. Margins on fowl sold through independent retail stores averaged 20.4 cents and 21.2 cents a pound, respectively, in the two cities. Differences in intensity of competition among stores, in store policies on mark-ups, and in handling costs account for the variations in farm-retail price spreads.

## Costs

Operating costs of midwestern processors of fresh fowl in July and October 1955 and January and April 1956 averaged (per pound ready-to-cook basis): Hauling (farm to plant) 0.60 cent, plant labor 3.00 cents, other dressing and packaging costs 2.10 cents, delivery costs 0.85 cent, and overhead costs and profits 1.40 cents. These items total 7.95 cents.



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Wholesalers in both urban areas operated on margins of 3.7 cents a pound. Independent retailers had average margins of 9.7 cents in Chicago and 9.0 cents in Minneapolis-St. Paul. Chain retailers who performed both wholesaling and retailing functions had average margins of 10.3 cents a pound in Chicago and 14.3 cents in Minneapolis-St. Paul. More detailed information can be obtained by writing the Marketing Information Division, AMS, U. S. Department of Agriculture, Washington 25, D. C., for a free copy of Marketing Research Report No. 195.

### Plants Bigger

Over the years, processors have made much progress in lowering their costs. Plants have increased in size, and new and more efficient equipment and processing techniques have been developed. But many plants still are too small to take advantage of available cost-reducing technology. Even more important for fowl marketing are some problems inherent in farm egg production as it is presently carried on.

Most midwestern farm flocks are small and are scattered over a large producing area. Seasonal fluctuations in egg production and in the marketing of fowl are extremely large. The quality of the birds sold is far from uniform. All of these factors tend to increase costs at all stages of the marketing process, to raise prices to consumers, and to decrease returns to farmers.

In other words, as farm flocks increase in average size and decrease in number, assembly costs undoubtedly can be reduced. Similarly, processing and distribution costs can be lowered if processors can handle larger lots. As feeding practices improve and as laying flocks become more similar among farms, product quality can become more uniform. This would greatly facilitate merchandising operations.

Finally, as farmers decrease seasonal variations in egg production and culling rates, the marketing system can handle both eggs and fowl more efficiently and can do a more effective job of merchandising.

Thus a substantial part of the problem of decreasing marketing costs for fowl as well as eggs can be solved through the action of farmers themselves, particularly through increasing the size of farm flocks and through decreasing the seasonal fluctuations in marketing.

Robert M. Conlogue
Norris T. Pritchard
*Marketing Research Division, AMS*

## Packing Potatoes in Boxes

California growers can send higher quality potatoes to eastern markets by using fiberboard boxes, a recent study by Agricultural Marketing Service and the Kern County (Calif.) Potato Growers Association indicates.

Growers and shippers reported premium prices on test shipments more than offset a half-cent per pound increase in shipment costs.

California long white potatoes shipped east in the new type boxes survived the trip much better than those dispatched in the conventional burlap. Skinned and discolored potatoes sent in burlap averaged 21 percent of the total, compared with 11 percent for potatoes put in boxes. Just as important, boxes made a more attractive appearance, displayed the potatoes better when they reached the consumer.

**The Agricultural Situation is sent free to crop, livestock, and price reporters in connection with their reporting work.**

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# Volume-Price Egg Reports Help Poultrymen Bargain

Volume-price reports on poultry and eggs are giving the poultryman added bargaining power.

Formerly he had only a price range by which to judge the price his product should bring. Now, with volume-price reports he can get a much more accurate picture of the market. These reports give him not only the conventional price range but also the total volume marketed and the percentages of the total which moved at each price reported.

## How It Works

A report from one area might show, for instance, that 159,000 head of 2.5- to 3.5-pound broilers sold at 20 to 22 cents a pound. Further, it would show that 12 percent of the 159,000 head went at 20 cents a pound, 14 percent at 20.5 cents, 31 percent at 21 cents, and 43 percent at 22 cents.

This kind of market report requires more time and effort to prepare than the conventional market news report. It also requires the full cooperation of the trade in supplying the market news reporter with the necessary sales and price figures.

However, since volume-price reporting was started by U. S. Department of Agriculture in northwestern Arkansas just 2 years ago, there has been an increasing demand for the new and more extensive type of report—and an evident willingness by the trade to provide the necessary cooperation.

So, though it does require increased manpower, time, and money, the Dairy and Poultry Market News Service in USDA's Agricultural Marketing Service, which supervises the operation of 36 Federal and Federal-State market news offices throughout the country, is making every effort to provide volume-price reports wherever requested.

Such reports on live poultry sales at the farm or delivered at plants, or both, are now being issued for all major broiler producing areas. These include Arkansas, Mississippi, Georgia, Florida, North Carolina, Virginia, Alabama, western Pennsylvania, the Delmarva Peninsula, the Cincinnati, Ohio, area, and the Seattle, Wash., area.

In March, the Dairy and Poultry Market News Service, at the request of the local trade, initiated reporting on a volume-price basis of terminal market trading in ready-to-cook poultry. On May 1, at the request of the egg industry, the Service began its first volume-price reports on egg trading.

Reports are now issued daily on the previous day's receipts at Atlanta, Ga., and at Jackson, Miss. These reports cover the price paid and volume sold for each size, grade, and color of eggs. The Atlanta report includes the delivered price paid by the first receivers (dealers and chain stores) for loose-pack eggs and the volume moved at each price. The Jackson report covers the volume and prices of eggs sold to retailers.

Establishment of the new reports carries on the Service's long tradition of providing farmers with the information most useful to them and in the form in which they find it most useful.

## Service Staff

The Service, supported by Federal and State funds, employs a staff of experienced market reporters who collect information on sales, supply, demand, and movement from both buyers and sellers.

These market workers compile factual, impartial reports which they distribute as quickly as possible through all available media. Radio and television provide the quickest dissemination although newspapers carry more detail. Printed reports are available from most market news offices, too. In some areas these are published at weekly intervals or twice a week. In some cases, publication is daily.

Edward H. Hansen
*Dairy-Poultry Market News Branch, AMS*

# Invisible Sugar Tastes Just As Good

Every man, woman, and child in the United States is going to eat about 97 pounds of sugar in 1958. That means that every day this year the average person will consume slightly more than a quarter of a pound of sugar.

Impossible, you say. A spoonful of sugar in coffee three times a day, a little for cereal in the morning, and a little for cooking—that certainly doesn't add up to a quarter of a pound.

## Widely Used

But you forget the sugar in the bakery goods you eat each day. Or the sugar in the confections, preserves, ice cream, soft drinks, even in the canned and frozen foods and juices that probably make up a large part of your diet most days. You never see the sugar in these foods, but it's there. It accounts for over half the sugar you use. Sugar sold in consumer-size packages is only about one-third of the total amount of sugar consumed in the United States each year.

Well, it could be possible, you say, but isn't that a lot of sugar in a year's time? It certainly is—approximately 16.5 billion pounds of sugar.

It's pretty hard to realize how much that is, isn't it? Suppose you took a nice, level, one-mile square section of land, built an 11-foot fence around it and filled the land with sugar up to the top of the fence. That would be about the amount of sugar used in this country this year.

Or suppose you put a drain pipe in the bottom of this pile and let the sugar run out at the rate of 100 pounds for each and every second of the day. How long would it take to drain the pile? Days? Months?

It would take 5 years, 2 months, and 19 days.

Do we produce all this sugar? No, the United States has never been able to raise enough sugar to meet its own needs—not even centuries ago, when early settlers copied the Indian art of making sugar from the sap of maples.

Later, sugar cane and sugar beets became sources in certain areas and were consumed nationally as transportation improved. Today maple sugar is mainly sold to tourists and amounts to less than one half of one percent of beet and cane sugar consumption.

Under the amended 1948 Sugar Act, marketing quotas are established for the Mainland Beet and Cane areas, for Hawaii, Puerto Rico, the Virgin Islands, and for foreign countries. On that basis, here is where that 97 pounds of sugar you are going to eat this year would come from:

The domestic areas are assigned 53.3 percent of the market when requirements are at their present level. If more sugar is needed, they will be allowed to furnish 55 percent of that increase.

Of the 53.3 percent, 28.4 percent will come from Mainland beet and cane. Another 12 percent will come from Hawaii, and almost 13 percent from Puerto Rico.

## Foreign Suppliers

Of the 46.7 percent coming from abroad, Cuba will supply most, 33.4 percent or 5.5 billion pounds. Another 11.1 percent will be obtained from the Philippines. Almost 2 percent comes from other foreign countries, primarily from Peru, the Dominican Republic and Mexico.

If any area or country cannot fill its quota, the deficit is reallocated to other areas. So far this year, over 800 million pounds of Hawaiian and Puerto Rican deficits have been reallotted to the Mainland Beet and Cane areas, and to Cuba.

It's a lot of sugar, any way you look at it. Now it's time for my coffee and for me to use a little of my 97 pounds.

George D. Harrell
*Agricultural Estimates Division, AMS*

# HOW WHITE IS YOUR WOOL?

Is it worth taking time and trouble to make sure that the wool you offer for sale is as white as it could be? Does it make any real difference in the price you receive?

It makes a good real of difference, says the Agricultural Marketing Service. Discolored wool makes a strong first impression upon the buyer when he judges quality.

If this has been true in the past, it's even more true in the present. Today's styles show a trend toward white and pastel shades in wool garments. Hence the double importance of getting your wool as white as possible.

## Cost Can Be Figured

It's even possible to get some idea in dollars and cents how much badly colored wool may already have cost you.

The AMS used a color-scale model based on the colors found in a cross section of domestic wools, so that wool processors taking the test could judge each wool-sample solely by color.

Calling "A" the lightest and most acceptable color, the color test model showed buyers discounted Fine wools of color quality "C" 3.3 percent under Fine wools of color quality "A". Fine wool was the USDA grade including 64's and finer.

When shown "C" color in Medium wools (56's through 64's) the industrial buyers of wools discounted this color 3.5 percent under color quality "A", the whitest color shown. For "C" color ¼ Blood wools (46's through 54's) buyers discounted 3.7 percent.

Color "E", the lowest, was discounted from Color "A" by 6.9 percent for Fine wools, 7.4 percent for Medium wools, and 6.8 percent for ¼ Blood wools.

You know what you are accustomed to receive for your "A" wool in these three categories. Now you know those percentages, you can estimate how much money you may have lost in the past, if your wool wasn't quite as white as it might have been.

AMS found that wool of color "A" was useful for 91 percent of products made in the previous 12-month period by all firms visited.

Color "B" could be used to make 74 percent of the volume of products made, but color "C" for only 57 percent. Color "D" was useful for only 36 percent; color "E" for only 33. So if you let your wool become sufficiently discolored to knock it out of the "A" class, you are knocking your wool out of a large sector of your potential selling market.

Some areas are credited with growing exceptionally white wools. In other areas, without such a reputation, there are individual growers who produce wool of such excellence year after year that their product is purchased by mill outlets and need not even come on the open market. Buyers credit growers of such "reputation clips" with good flock management and husbandry practices.

## What Can You Do?

How can you, the grower, expand the demand for your wool? You need methods that are entirely under your own control, so that the gains may accrue to you alone.

Wool growers in other countries have come up with two answers. One is improved breeding and husbandry practices. The second is improved handling and sorting of the clipped fleeces prior to shipping them to the central market.

The American producer also has the incentive that by improving his packaging, sorting and grading, he can make his wool more nearly equal to foreign wool in the U. S. market.

Frederick J. Poats
*Marketing Research Division, AMS*

# A Queen Steps Down

The Elberta, undisputed queen of all peach varieties for many decades, will soon share her throne in the Eastern States. This is the most striking fact shown by surveys of peach orchards made in 1956–1957 in 7 Eastern States: New York, New Jersey, Pennsylvania, Maryland, West Virginia, Virginia, and Georgia.

From the standpoint of total trees of all ages, the Elberta still leads all other individual varieties in each of the 7 States, generally by a substantial margin. But the Elbertas are largely in the older age groups. The other varieties are concentrated in the younger age groups.

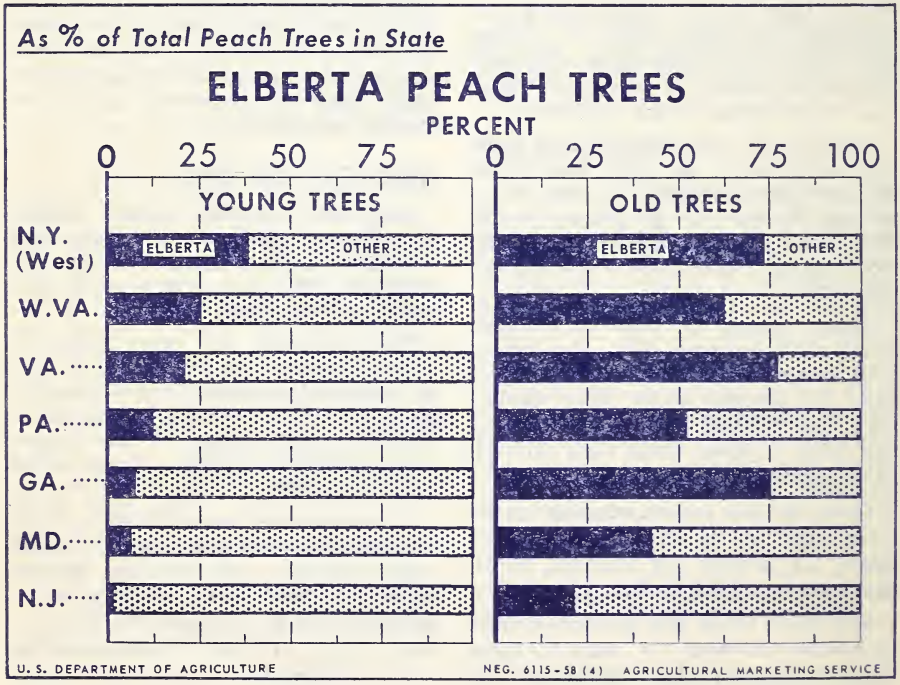
## Changes

Replacement of Elbertas by other varieties has been under way in all of these States for more than a decade. If this trend continues, it is only a question of time before Queen Elberta will share her throne. Of course, she will undoubtedly continue to rank first among individual varieties in several of these States for some years to come. But even in these States she will occupy a less dominant position.

There is evidence this trend will continue. In New Jersey, for example, 21 percent of the trees 13 years old and over are Elbertas. In the next age group, 8–12 years, the proportion of Elbertas drops to 15 percent. For trees just coming into bearing, 3–7 years old, the percentage falls again to 6. Of the newly planted trees, under 3 years old, only 1 percent are Elbertas.

Leading the replacement parade are New Jersey, Maryland, and Georgia. In these States, the proportions of Elbertas in the newest plantings are only 1 percent, 6 percent, and 7 percent, respectively.

In Western New York, the Elberta still accounts for 38 percent of the newest plantings. However, this is a



drastic reduction compared with the 73 percent for the oldest trees in that area.

As would be expected, the most rapid shift has occurred in Georgia where the average life of peach trees is considerably less than in northern States. In that State, Elbertas comprise 75 percent of the trees 15 years old and over, but only 7 percent of the trees under 3 years old.

No one variety has come forth to claim Elberta's throne. Leading other varieties by States, based on total tree numbers, are: Western New York, Golden Jubilee; New Jersey, Jerseyland; Pennsylvania, J. H. Hale; Maryland and West Virginia, Halehaven; Virginia, Belle of Georgia; and Georgia, Coronet.

These are crowded closely by several other varieties, usually 4 or 5 in each State. The more important are: Ambergem, Blake, Dixired, Hiland, Keystone, Red Cap, Redhaven, Rio Oso Gem, Shippers' Red, Sunhigh, Sunrise, and Triogem.

What caused the dethronement of the Elberta? Four reasons stand out. For one thing, today's fresh market demands *highly colored varieties.* Again, higher prices early in the season have encouraged the planting of *early maturing varieties.*

### Longer Seasons

There is also a tendency to *extend the marketing season over a longer period.* This accounts, in part, for the prominence of a relatively large number of varieties. Finally, in southern Georgia there has been considerable interest in newer varieties which have a *shorter chilling hour requirement to break dormancy.*

These are just a few of the highlights of recent age-variety surveys for peaches made in the 7 States with matched Federal and State funds under the provisions of the Agricultural Marketing Act of 1946. Detailed reports may be obtained by writing to the State Agricultural Statistician in each of these States.

Irvin Holmes
*Agricultural Estimates Division, AMS*

## Apple Growers Give Pallet Boxes a Trial

The whole apple industry—and that includes apple growers, naturally—is taking increasing interest in the use of pallet boxes for the handling and storage of apples. A pallet box is a large box that replaces numerous small boxes of the standard size. In the Pacific Northwest alone, the industry will be spending more than $1,250,000 for these boxes and associated equipment during the 1958–59 season.

As with so many other suggested improvements in the handling of commodities, the grower has a chance of benefiting in either or both of two ways if the idea works out. If the new plan does save money for the marketing man, then he is in a better position to share some of his savings with the grower by giving him a little better price. If the improvement appeals to the consumer and increases retail sales, then the grower's sales may pick up.

Agricultural Marketing Service and Agricultural Research Service have found from cooperatively directed research there are distinct advantages in using the pallet box instead of the old standard box handled on pallets.

A grower-packinghouse operator should be able to save $70 to $85 per 1,000 standard box equivalents by making the change. Suppose he normally uses 100,000 equivalent standard boxes, his annual saving would run between $7,000 and $8,500. Another important consideration is the amount of refrigerated space that can be saved. Depending, of course, on the size of box used, it amounts to about 20 percent.

### Improvements Possible

On the other hand, pallet boxes have some shortcomings. They should be made stronger to resist damage, particularly skewing. They should have bottoms that will not spring up during handling. They certainly should be designed for easier handling.

Joseph F. Herrick, Jr.
*Marketing Research Division, AMS*

# HEALTH GAINS MADE IN RURAL DEVELOPMENT AREAS

Here's a progress report on the campaign for additional hospitals and other health facilities in rural counties that need them most—the Rural Development Counties.

Rural Development Counties generally have a 20-percent higher infant mortality rate and a lower level of health resources than the national average. Local per capita expenditures for organized public health services are less than half the average for all counties so served. There is a shortage of public health personnel: Doctors, dentists, nurses.

## Hospitals

Several of these counties have obtained financial help through the Hospital Survey and Construction Program for constructing hospitals and health centers. Bonds were floated to build a new hospital at Jessup, Wayne County, Ga. In Choctaw County, Okla., a bond issue was voted to help finance a 32-bed general hospital and health center at Hugo.

Grainger County, Tenn., officials appropriated $14,400 for the county's share of the cost of a $60,000 health center to be built at Rutledge. Funds for a new hospital are being raised in Price County, Wis.

Each of the three pilot counties in Kentucky (Butler, Elliott, and Metcalfe) succeeded in raising $5,000 to match Federal aid for a new health center. This was accomplished after Rural Development Program committees were organized in each county. Altogether, 20 counties in the Nation have health subcommittees.

Twenty-seven pilot counties have improved or are planning to improve sanitation facilities. Projects include water analysis to make sure the water supply is pure, garbage disposal control to prevent dumping along the highways, cleanup campaigns, sewage systems for county seat towns, and insect and rodent control.

Reports on obtaining additional health personnel are encouraging. In order to attract another physician, the people of Twiggs County, Ga., built a modern 9-room brick and tile office and residence and offered free rent for 6 months. The Health Committee in Taney County, Mo., helped to obtain a nurse for the county schools.

Some areas are taking steps to supplement the efforts of professional health workers. For example, the Health, Education, and Welfare Committee in Watauga County, N. C., arranged, in cooperation with local home demonstration clubs and the Red Cross, for a Red Cross instructor to give a course in home nursing. Each enrollee is expected to teach the course to at least 30 others in her community.

Many pilot counties—Santa Fe County, N. Mex., for example—report a marked increase in the use of public health services. Hardin County, Tenn., had 50 percent more children taking preschool examination than formerly.

## Polio

Franklin Parish, La., held its first poliomyelitis immunization clinic for those 20 to 40. In Guernsey County, Ohio, poliomyelitis shots were given to preschool children as well as to adults. Similar reports come from Covington County, Miss., Bamberg County, S. C., and Houston County, Tenn.

Nutritional problems are extremely important in a number of RDP counties. They are met in some cases by providing school lunches, in others by serving fruit juice to children who come to schools without breakfast. Reports of how the problem is being tackled are already available from Grainger County, Tenn., San Augustine and Shelby Counties in Texas, and Wautauga County, N. C.

Elsie S. Manny
*Farm Population and Rural Life Branch, AMS*

# Test Your Oilseeds Faster

Oilseed Growers: The Agricultural Marketing Service has developed simpler, faster, and more economical methods of testing oilseed—determining its potential value to you in dollars and cents.

These new methods are simple enough to be used even by untrained technicians and rapid enough to make it possible for you to market your oilseed on the basis of its oil quantity and quality.

### How To Do It

In the new dielectrometric method for determining oil content, a sample of oilseed and special solvent is placed in a new type of mill which simultaneously grinds the seed and extracts the oil. The oil-solvent mixture is then filtered to remove the ground material and is placed in an electronic tester which measures the amount of oil.

The meter readings are converted to terms of percentage of oil content through the use of simple conversion charts—prepared, thus far, for testing soybeans, flaxseed, sunflower seed, and safflower seed.

Cost of the dielectrometric equipment is about $900; of the solvent for each determination about 7 to 8 cents. A single determination can be made in 15 minutes—less time, if a series of determinations is being made.

Though oil content is probably the most important single factor influencing the value of oil seed, the quality of the oil also is important.

Iodine number, the number of grams of iodine that can be absorbed by 100 grams of oil under specified conditions, is an important expression of oil quality. Oils of high iodine number are superior for use in paints and varnishes, but oils of low iodine number are generally preferred for the production of food products such as vegetable shortenings and margarine.

The rapid method for determining oil quality on the basis of iodine number is based on measurement of the refractive index of the oil. With simple instruction, anyone can use the direct-reading iodine-number refractometer developed by AMS.

To make this test you would need, in addition to the refractometer, a small hydraulic press with which to obtain a few drops of oil from the oilseed. The test consists of placing a drop of oil on the prism face of the refractometer and taking the iodine number reading directly from the instrument.

This can be done in about 5 minutes. Cost of the equipment would be about $500.

M. H. Neustadt
*Grain Division, AMS*

# Gum Turpentine Output At Record Low

Production of gum turpentine set a new low record, for the sixth consecutive year, during the 1957-58 season, according to the annual Naval Stores Report of the Crop Reporting Board. The production, 129,080 barrels, was 10 percent less than in 1956–57. It is only 59 percent of the output in 1952-53.

Steam-distilled turpentine production, 185,980 barrels, was almost 5 percent less than for 1956-57 and 22 percent below the record set in 1950–51. Sulphate turpentine production, 311,760 barrels, was up 2 percent.

### Rosin

Gum rosin production—generally declining since 1940—was 10 percent less than in 1956-57. Production was at 399,910 drums, compared with the high of 2 million in 1908 and 1 million in 1939.

Steam-distilled wood rosin output at 1,195,990 drums was down 10 percent from the previous year. Tall oil rosin production was reported for the first time. It totaled 269,270 drums.

John J. Morgan
*Agricultural Estimates Division, AMS*

# MEAT CONSUMPTION IS LEAST BELOW MASON-DIXON LINE

When homemakers the country over were asked about their meat-eating habits in 1955, all but one-half of one percent replied that they had used meat in some form during the survey week.

All meat taken together—beef, veal, lamb, mutton, pork, and their products—accounted for 25 percent of the average family's food bill, since meat is the No. 1 item in the food budget.

But meat eating is not uniform, neither for all meats, nor for each meat.

## Regional Habits

Most meat was eaten by people living in the North Central States. They consumed an average of 3.4 pounds apiece during the survey week. The West and Northeast were close behind; the South lagged with 2.6 pounds (see chart).

Farm people fared about as well as city people in all regions except the South. They were slightly ahead in the Northeast, only slightly behind in the West. But in the South the difference between meat consumption on farms and in cities was rather wide, as the chart shows. Because of the low meat-eating rate on southern farms, the national average for farm people is lower than for city people.

Where less meat is eaten, it's usually because incomes are smaller. The survey showed, for instance, that both southern city families and southern farmers devoted a higher percentage of their incomes to meat than the average for the country.

Farm and city consumers have similar tastes for beef and pork, region by region, except that western farmers leaned toward a beef diet and southern farmers toward pork. City and farm people alike eat frankfurters, sandwich meats, and similar products.

On the other hand, consumption of the secondary meats (veal and lamb) and the so-called variety meats (such as liver and heart) was much higher in cities than on farms.

Some regional differences were reported in cuts of meats eaten. The South eats relatively less beef roast and hamburger and more stewing beef. It also eats relatively more sausage, salt pork, and bacon, and less pork chops. The Northeast likes ham, the North Central, pork chops, and the West, bacon.

During the survey week, farm families used pork in 43 percent of their meat diet and beef 42 percent. This virtual equality in popularity between the two meats was a change from previous years, when farmers ate more pork. In a 1942 study, 60 percent of the meat eaten by farmers was pork; beef, only 30 percent.

Improved refrigeration accounts for much of the farmer shift to beef. Home refrigerators and central cold storage lockers, the first facilities, have been supplemented by home freezers which are by far the most efficient method of storing beef on farms. By contrast, it's always been possible to preserve pork by curing it, so better refrigeration has not encouraged farmer consumption so much.

Not only has farm beef consumption risen, but more of the beef has been produced from home slaughter. In 1942, farmers obtained 77 percent of their pork and only 40 percent of their beef from home production. By 1955, home production of pork had dropped to 52 percent, but of beef had risen to 60 percent.

## Income

The amount of meat eaten depends on where consumers live, what they do, their nationality, and the size of the family. Income is important too. The higher the income, the more meat they are likely to eat. Its greatest effect is on lamb eating. It has a moderate bearing on consumption of beef and veal.

Income had the least influence on pork consumption. In the West, high-income groups ate a little more pork than low-income groups, but elsewhere they did not. In the North Central and South, higher income families were inclined to eat somewhat less pork.

The fact that high-income people are less likely to eat pork than are other folks goes a long way toward explaining why pork consumption has not increased much during postwar rising incomes. To make it worse for hog growers, this tendency is increasing.

While the survey showed that high income families ate more of each meat except pork, income had an even greater effect on the kind and quality of meat eaten and the price paid for it. To a very large extent, consumers with high income selected the higher priced cuts of each meat, especially the steaks and roasts.

## Quality Factors

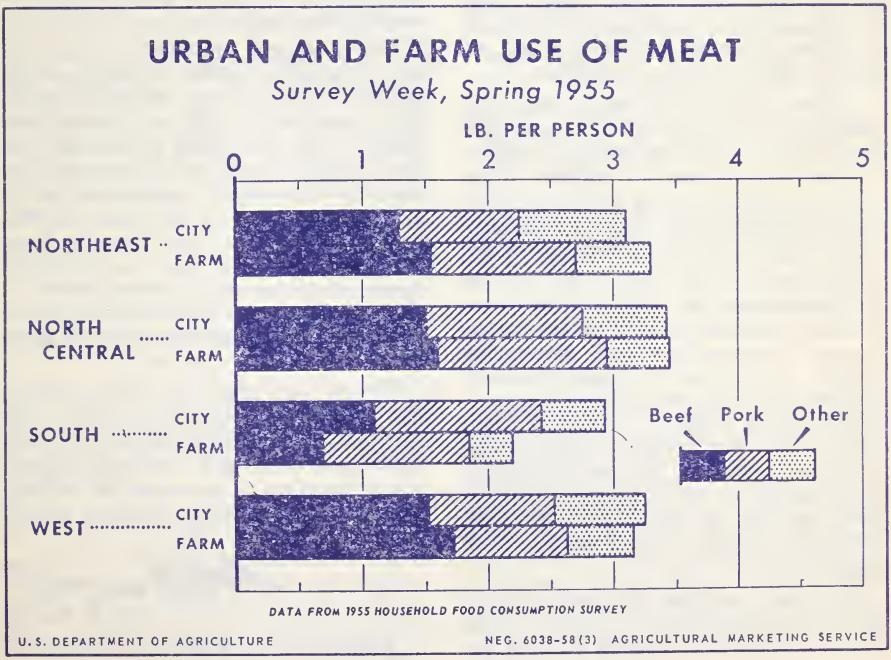
Much has been written about how rising incomes of consumers open up expanded outlets for meat. This remains true. Yet the 1955 study suggests that once meat supplies have been lifted high—1955 was a plentiful meat supply year—consumers have a greater interest in picking the kind and quality of meat they want than in buying more meat.

Some of the additional price that high income people pay may represent the cost of extra packaging and services. But part of the price surely must represent superior quality of the product.

If that is so, the progressive increases in national income we all hope for in years to come should be a signal for giving more attention to producing a quality meat product and identifying it when produced.

This message from the 1955 survey has meaning to producers and marketers alike. Its implications extend all the way from choosing the breeding stock that will produce a quality carcass to displaying meat efficiently and to the best advantage at retail.

Harold F. Breimyer
*Agricultural Economics Division, AMS*



# "Bert" Newell's Letter

It was so cold and wet all spring it seems I didn't get anything done but barn work. With me that means cleaning out the garage and getting the accumulation of stuff out of my shop, and piddlin' little jobs like that.

You remember, I told you I was going to do that one of these days and I sure did get rid of a lot of stuff. Now I have room to accumulate some more. Let's not talk about that though—it leaves my wife depressed, but she saves stuff too, so between us—well, let's drop it.

By the way, what do you do with old clotheslines? I'll bet you a pretty I found enough old lines hanging here and there around the garage to tie up the Washington Monument.

It looks so good I hate to throw it away but I know you can't depend on it. Like the other day, I used a piece to tie a little lumber on my car. Well sir, the first turn I went around that line broke and I scattered lumber all over the landscape. You should have seen it, but I'm glad you didn't.

There are a lot of things that look good but you're never sure just how good until you put the strain on them. In this connection, I naturally think a lot about the reports we put out and our responsibility to provide statistical information that will stand the strain.

Some years ago, when I first started in this business, the statistics were used to a very considerable extent for rather general comparisons and measuring trends. As long as they met these requirements most everybody was reasonably well satisfied. As time went on, however, and farming became more and more complex, and more like the big business it is, the crop and livestock estimating job became tougher. Statistics had to be more exact and in greater detail.

In recent months we have had a number of delegations come in to talk about the reports. Almost without exception they have been asking for more accurate statistics. I asked one group what they meant by accurate, and I know that's a pretty hard question to answer. It depends upon what kind of report you're talking about.

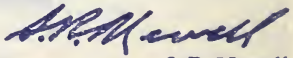
For example, an early season forecast is quite different from an estimate that's made at the close of the season. That, by itself, is another subject that I've talked about before and will again. For now, the significant point that stands out is that what the great majority of the people who have talked to me recently seem to want most is the assurance that all parts of the problem have been covered, the report built upon careful observation and a strong and dependable sample.

That's awfully important too, because actually, nowadays, so many decisions are made on the basis of the statistics we provide that they must be as accurate as humanly possible.

One particular group made the point that literally millions of dollars ride on the many decisions that are made on the basis of the pig crop report. The same applies to reports on fruit and grain, and prices paid and prices received by farmers.

We, of course, know this is true and are constantly aware of the need for strong, basic statistics that will stand up under the strain of present-day needs. And everybody appreciates the big help you folks, our reporters, have been in answering questionnaires or giving your time to our men as they come to visit you from time to time. We appreciate the way you have let them make careful observations of your crops in the field. This kind of work will help make the reports more dependable.

I know one thing for sure, though, old weathered clothesline is no good for holding lumber on the car, and old-fashioned crop and livestock reports won't stand up to the strain of modern farm business. What we need is new strong rope.



S. R. Newell
*Chairman, Crop Reporting Board, AMS*

# Outlook

## Livestock

Meat animal prices are likely to decline somewhat from spring levels as marketings increase but are likely to remain relatively high through 1958. A rise in fed cattle marketings that began in late April should continue, and marketings in the last half of the year probably will exceed a year earlier. Hog slaughter has climbed above a year earlier and will stay above those figures through most of 1958. Lamb slaughter also was above a year earlier in late April.

Fed cattle prices will drop moderately until summer, then level out at about those of last summer. Feeders will trend down seasonally. Hogs may remain fairly steady until the usual midsummer high, and then decline. The low this fall probably will be close to that of a year before. Lamb will decline seasonally this summer and likely will average near last year's levels.

Continued witholding of breeding stock for inventory expansion will prevent large increases in marketing of meat animals. Increases for hog and sheep inventories will be fairly sizable during 1958. The number of cattle on farms may also gain with a slight increase next January 1, which would end the cyclical decline after only 2 years.

## Dairy

Prices for fluid and manufacturing milk are expected to continue lower than a year earlier through the rest of 1958. The average for all milk may be down 12 to 14 cents per cwt. from a year earlier. Cash receipts from milk will be a little under the 1957 record of $4.6 billion despite slightly increased marketings.

## Poultry and Eggs

Egg prices remain well above a year ago and are likely to firm up seasonally in coming months. Though farmers are raising nearly 6 percent more replacement chicks this year than last, the laying flock next winter is not likely to increase this much. Farmers started this year with 12 percent fewer pullets in the flock, and they have more hens than usual that will not be retained for next year's laying.

The 1958 turkey crop probably will be about 10 percent smaller than last year. Hatchings have been reduced following low prices for main-crop birds last fall. Prices were up slightly in early May for seasonally small sales.

## Soybeans

Crushings are likely to continue at peak levels through the marketing year. Demand for edible vegetable oils is strong in this country, and supplies of cottonseed oil are sharply reduced. Average prices to farmers are likely to continue near support.

## Feed Grains

Feed grain prices increased an average of 16 percent from January to May. High protein feeds were up 18 percent. Compared with a year earlier, mid-May grain prices were down 8 percent, and high proteins in early May were up 15 percent. Despite gains in feed prices, livestock-feed price ratios remain favorable to hog, cattle, and dairy producers.

Recent figures on use indicate feed grain carryover next October 1 will be up 12 million to 14 million tons from a year earlier to around 62 million tons. This is half the 1952–56 average production.

## Farm Income

Sales of farm products yielded farmers 8 percent more dollars in the first 4 months of 1958 than a year earlier. Higher prices for cattle, hogs, chickens and eggs boosted total livestock receipts 12 percent. A 2-percent gain for total crop receipts was largely due to a big increase from vegetable sales. Usually farmers get more than a fourth of the total year's cash receipts in the first 4 months of the year.

# SAFFLOWER ACREAGE MAY SET RECORD THIS YEAR

Safflower is a relatively new cash oilseed crop that's becoming increasingly important. Here are the figures to prove it: 1949 planted acreage, 40,000; 1957 planted acreage, 100,000; probable 1958 acreage, 168,000. This last figure, of course, would be a record.

## Demand Up

Industrial demand for safflower oil has risen and prices have been stable. Research is continuing to develop new varieties of safflower seed for commercial production. These varieties have higher per-acre yields. They are more disease resistant. They have high oil content. Currently, varieties yielding about 35 percent oil are available for commercial production.

Areas suitable for safflower are the Northern Great Plains, the Pacific Northwest between the Cascade and Rocky Mountains, and the Southwest. Production has been most successful in the central valleys of California.

Safflower may be planted in the fall or winter in the irrigated valleys of southern California and those of Arizona. In the Northern Great Plains, the crop is planted in the spring.

Safflower oil is used primarily as a raw material in the paint and varnish industry where it competes mainly with linseed oil and processed soybean oil. Recently, it has been used as an edible vegetable oil. Safflower seed also has been exported in recent years.

Processed safflower oil contains a higher percentage of unsaturated fatty acids than other vegetable oils. Refined safflower oil can be used as a cooking and salad oil, in the manufacture of mayonnaise, margarine, and shortening. Here it competes mainly with cottonseed and soybean oils. So far its use as an edible oil has been relatively unimportant.

According to trade estimates, in 1957 domestic growers harvested about 98,000 acres of safflower, nearly all in California. The average yield per California acre was 1,550 pounds, compared with 1,700 pounds in 1956. The 1957 growing season was, in general, poor because of lack of moisture.

The 1957 acreage produced an estimated 127 million pounds of safflower seed. A crop this size should yield about 40 million pounds of safflower oil.

Since 1951, virtually all domestic safflower has been produced in California. Most of the 1958 acreage expansion, however, is expected in areas outside California (mainly in the Northern Great Plains) where yields are somewhat smaller because growing conditions are less favorable. The fact that safflower is being grown in these regions, however, reflects the need for replacement crops, the increased demand for safflower oil, and the favorable prices growers are getting.

Safflower is generally grown and sold under contracts. Processors usually pay the market price at harvest or guarantee the growers a fixed price per ton.

In 1957, safflower brought an average of about $76 per ton (pure basis) in California. Prospects are that prices to growers may be slightly higher in 1958. At present, safflower crushing operations are centered on the West Coast where the mills may operate part of the time on flaxseed, copra, soybeans, castorbeans, and other oilseeds.

## Prices

On the New York market during August 1957–April 1958, safflower oil prices averaged about the same as linseed oil prices, but 15 percent above those of processed soybean oil. Safflower and soybean oil prices have been stable this season, whereas linseed oil prices moved up sharply early in the season but slid off in recent months.

The relative stability of safflower oil prices in recent years apparently has contributed to increased demand.

Naturally, future prices of safflower will be influenced by the price of the oil. Safflower oil is reported to have moved readily at prices above those of soybean oil and about the same as linseed oil. Safflower's nonyellowing properties make it preferable to other drying oils in certain paint products, synthetic resins, and enamels. Safflower oil is light in color and can be clarified easily.

### Freight Rates

If production of safflower increases in the Great Plains areas, as expected, and the seed is crushed there, it is likely that safflower oil prices eventually will become more competitive with processed soybean oil and linseed oil, particularly in the Middle West, because of freight rates.

Safflower meal, a byproduct of the oil extraction operation, has some value as a livestock and poultry feed supplement. The meal is about two-thirds the weight of the seeds. Because of its low protein and high fiber content, it is restricted in a highly competitive and limited market at low price levels. If research should develop a method of removing the hull from the seed before crushing, the quality of the meal would be greatly improved and it could compete with other protein meals more effectively.

Demand for vegetable oils in drying oil uses has diminished since last fall along with the general decline in economic activity and perhaps some inventory liquidation by the drying oil trade. Domestic consumption of the drying oils is likely to continue below last year for the remainder of the marketing year. At present levels of industrial activity, domestic use could drop about 25 percent.

However, consumption of safflower oil has increased in recent years despite the fact that drying oils as such have not kept pace with expanding industrial production.

George W. Kromer
*Agricultural Economics Division, AMS*

## New Dry Milk Standards Should Help Dairymen

Dairy Farmers: Effective July 1, the U. S. Department of Agriculture is improving its standards for nonfat dry milk. You are likely to benefit from these changes.

In the long run, improved standards for nonfat dry milk will improve its quality. This could well mean increased acceptance by consumers, wider markets for you.

Nonfat dry milk is one of your increasingly important outlets. Production rose from 881 million pounds in 1950 to 1,693 million pounds last year.

The Dairy Division of USDA's Agricultural Marketing Service—which provides standardization, inspection, and grading services for manufactured dairy products—has included among other changes in the standards a new provision that a U. S. grade will not be assigned to nonfat dry milk exceeding a specified direct microscopic clump count. The Dairy Division has found that the clump-count test is particularly sensitive to variations in the quality of the raw milk used in the manufacture of dry milk.

### How It Helps

Thus, use of this test should put the producer of good quality milk in a preferential marketing position. In addition, manufacturing plants are likely to work more with their suppliers in helping them to produce a high quality product.

Grades for nonfat dry milk are U. S. Extra and U. S. Standard. In the new standards, the direct microscopic clump-count test is not required for distinguishing between these grades. However, such a requirement may eventually be added and in this case the importance of raw milk quality would be emphasized even more.

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*Dairy Division, AMS*

## *In This Issue*



### Farmer's Share of Consumer's Food Dollar

| | |
|---|---|
| March 1957 | 39 percent |
| February 1958 | 41 percent |
| March 1958 | 42 percent |




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